

## The Phone Co-op

### A telecommunications provider with a difference

**The Phone Co-op, an independent social enterprise with bases in Consett, Chipping Norton, and Manchester, operates nationwide and beyond providing a quality tailored telecommunications service to both businesses and customers. The co-operative, owned entirely by its customer-members, has grown steadily by acquisition since it began trading in 1997 and now generates an impressive turnover in excess of £8 million.**



Vivian Woodell, Chief Executive of The Phone Co-op for outside investors. The co-operative has since extended its services to include web hosting, inbound call solutions and telephone systems.

Formed with just £16,000 in loans from members, which was later converted to co-operative share capital, and a £10,000 loan from the ICOF (Industrial Common Loan Fund) Community Capital scheme, The Phone Co-op aimed to provide a quality fixed and mobile telephony and data service centred on meeting people's needs rather than acquiring profit

Being a co-operative, the business prides itself on valuing its employees and members – reflected in both its employee benefits and in how the strategic direction of the company is formulated. Employees benefit from profit-sharing and sales bonus schemes and contribute to the direction of the business with day-to-day decisions made through team-working within departments. Member-customers also benefit from the inclusive nature of The Phone Co-op – indeed, ultimate control of the business lies with members.

The Board of Directors is elected by and comprised of members who are responsible for determining the overall strategic direction of the business and holding management accountable for performance. This customer-led approach is clearly appreciated, “We chose The Phone Co-op partly because of its co-operative nature and ethical policy but also because we were able to speak to a person who had sufficient autonomy to be able to discuss our needs, which were not completely standard, rather than read from a script!”, say one member-customer of the company's personalised service.

The Phone Co-op also operates a strong ethical policy. “As a co-operative, we share the internationally recognised values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others”, asserts Chief Executive Vivian Woodell. These values are reflected in The Phone Co-op's dedicated policies to reduce the environmental impact of the business.

The Phone Co-op works hard to encourage the use of public transport and other less environmentally damaging forms of transport amongst its employees for business travel as opposed to personal car use. During its past year of business, the company has accomplished this aim successfully with just 7.3% of all business miles travelled via personal car use.

The company is also dedicated to investing profits in worthy environmental fellow co-operatives. The Phone Co-op recently invested £20,000 in the Westmill Wind Farm Co-operative which will be put towards the construction of a wind farm in Swindon, and a further £7,500 in Torrs Hydro, a Derbyshire based hydro-electric project that operates as a community-owned social enterprise. The Phone Co-op also invests profits for environmental benefit by paying a voluntary levy to offset the company's carbon

emissions. This levy is profited to Climate Care, an organisation that finances projects that seek to reduce carbon footprints in a sustainable manner.



A Phone Co-op colleague

The Phone Co-op has, quite rightly, achieved recognition for its successes. In 2008 the business received the Best Social Enterprise at the Enterprising Solutions Awards hosted by the Social Enterprise Coalition, while 2009 saw a double success for The Phone Co-op with the business scooping both the Award for Co-operative Excellence from Co-operatives UK for quality of reporting to members and the Federation of Communications Service Green Award alongside BSkyB. The Phone Coop was also recently awarded the Social Enterprise Mark – one of just nine social enterprises in the Information Technology category.

However, despite The Phone Co-op's growth and success it did, like many social enterprises, experience setbacks during its start-up phase. Starting out with limited capital, the business has difficulty in persuading potential suppliers of the viability of its business model and in acquiring the wholesale services needed. With only modest resources available to cover marketing and other such costs, the enterprise had to turn to low-cost methods to advertise their services. This organic approach though has clearly paid off with a workforce that has grown from just 10 in 2001 to a 57-strong team of employees today and a membership base at an all time high of 7,538, The Phone Co-op looks set to grow further in the coming years.

With regards to the future, The Phone Co-op looks towards expansion whilst retaining its co-operative integrity and to share good practice both within the third sector and other sectors. As Chief Executive Vivian Woodell affirms, "We intend to continue to grow the business both organically and by acquisition, focusing on the distinct benefits of our co-operative identity, which builds trust with customers and promotes long term customer relationships. We believe in the benefits of customer-ownership and accountability and are convinced that this model could be successful in other business sectors."

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